



# Kansas Health Care Stabilization Fund

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## FISCAL YEAR 2015 ANNUAL REPORT

Prepared by C. Wheelen, Executive Director

Adopted by the Board of Governors September 10, 2015

The following information is reported on behalf of the Health Care Stabilization Fund Board of Governors in accordance with K.S.A. 40-3403(b)(1)(C). This report is for the fiscal year that ended June 30, 2015.

1. Net premium surcharge revenue collections amounted to \$27,829,034.
2. The lowest surcharge rate for a health care professional was \$50 for a chiropractor in his or her first year of Kansas practice who selected the lowest coverage option (\$100,000 per claim with \$300,000 annual aggregate).
3. The highest surcharge rate for a health care professional was \$15,724 for a neurosurgeon with five or more years of Health Care Stabilization Fund liability exposure who selected the highest coverage option (\$800,000 per claim with \$2.4 million annual aggregate). If a Kansas resident neurosurgeon was also licensed to practice in Missouri, the 30% Missouri modification factor would result in a total premium surcharge of \$20,441.
4. There were 18 medical professional liability cases involving 19 health care providers that went to trial. Of these 18 cases against health care providers, three resulted in mistrials. Two of the cases resulted in verdicts for the plaintiff and both of those verdicts were appealed. The other 13 cases resulted in verdicts for the defense.
5. During the past fiscal year 585 open claims were closed. Of those claims, only 62 claims (10.6%) resulted in Fund obligations. Fifty three cases involving 60 claims were settled, which resulted in Health Care Stabilization Fund obligations amounting to \$24,322,582. The average Stabilization Fund compensation per settlement was \$405,376, a 6.4% increase compared to FY2014. These amounts are in addition to compensation paid by primary insurers (typically \$200,000 per claim).
5. Because of periodic payment of compensation and other cash-flow characteristics, the amounts reported above in items four and five were not necessarily paid during FY2015. The total amount attributable to claims paid during the fiscal year amounted to \$26,654,184.
7. The balance sheet as of June 30, 2015 accepted by the HCSF Board of Governors indicates assets amounting to \$273,581,184 and liabilities amounting to \$231,467,025.

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